

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 6656**

**BILL NUMBER:** HB 1228

**NOTE PREPARED:** Jan 6, 2003

**BILL AMENDED:**

**SUBJECT:** Campaign Finance.

**FIRST AUTHOR:** Rep. Day

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
**FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill provides that except for gifts of food or beverage that total not more than \$50 a year, a legislator or a candidate for a legislative office may not accept a gift from a lobbyist, and a lobbyist may not give a gift to a legislator or to a candidate for a legislative office.

The bill provides that a legislator or a candidate for a legislative office is not required to report gifts from persons who are not lobbyists. It requires a legislator or a candidate for a legislative office to report permitted gifts from lobbyists.

The bill provides that the limitations on political contributions by corporations and labor organizations apply to each candidate of the class of office or committee subject to the limitation rather than as a total to each class. The bill imposes the same limitations on political action committees. The bill provides that a person other than a corporation, labor organization, or political action committee may not give more than \$2,000 in any year to each candidate for a state office or more than \$1,000 in any year to each candidate for a legislative office.

The bill provides civil and criminal penalties for violations.

**Effective Date:** July 1, 2003.

**Explanation of State Expenditures:** While the provisions in this bill will require the Indiana Lobby Registration Commission and the Election Division of the Secretary of State's Office to make changes in their current procedures, they are not expected to have a significant fiscal impact on either agency.

**Explanation of State Revenues:** *Court Fees and Penalties:* A lobbyist that violates the bill's provision related to gifts to legislators or legislative candidates commits a Class C misdemeanor. A person who violates the political contribution provisions of the chapter commits a Class B misdemeanor. If additional court cases occur and fines are collected, revenue to both the Common School Fund and the state General Fund would increase. The maximum fine for a Class C misdemeanor is \$500. The maximum fine for a Class B misdemeanor is \$1,000. Criminal fines are deposited in the Common School Fund. If the case is filed in a circuit, superior or county court, 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund.

**Explanation of Local Expenditures:** *Penalty Provision:* A Class C misdemeanor is punishable by up to 60 days in jail, while a Class B misdemeanor is punishable by up to 180 days in jail. The average daily cost to incarcerate a prisoner in a county jail is approximately \$44.

**Explanation of Local Revenues:** *Court Fee Revenue:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

**State Agencies Affected:** Indiana Lobby Registration Commission; Secretary of State, Election Division.

**Local Agencies Affected:** Trial courts, local law enforcement agencies.

**Information Sources:**

**Fiscal Analyst:** John Parkey, 317-232-9854